

Message Text

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ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 /018 W

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R 182337Z FEB 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 3078

UNCLAS MEXICO 2126

PASS COMMERCE/MEPED/SANDS

E.O. 11652: N/A

TAGS: BEXP, ECRE, MX

SUBJECT: SIDERURGICA LAZARO CARDENAS - LAS TRUCHAS (SICARTSA)

EXPANSION: BIDS FOR HOT STRIP AND COLD ROLLING MILLS

EMBOFF ATTENDED FEB. 13 BID OPENING FOR HOT STRIP AND COLD ROLLING MILL SEGMENT OF SICARTSA'S SECOND STAGE EXPANSION. FOLLOWING CONSORTIA PRESENTED BIDS: DEMAG/BLAW KNOX; MITSUBISHI/IHI/HITACHI; WEAN UNITED/SECIM/DELATTRE LEVIVIER; DAVY LEWY/SCHLOEMAN/DSD; INNSE/SACK/ITALIMPIANTI. PRICES QUOTED OUTLINED BELOW:

A. DEMAG/BLAW KNOX
VARIABLE PRICES SUBJECT
TO ESCALATION

	HOT MILL	COLD MILL
U.S. DOLS	40,377,600	27,405,500
GERMAN MARKS	466,229,000	30,526,000
PESOS	61,150,000	23,970,000
SWEDISH CROWNS	---	3,059,000

CEILING PRICES

	HOT MILL	COLD MILL
U.S. DOLS	47,274,000	32,085,450
GERMAN MARKS	562,015,000	36,434,000
SWEDISH CROWNS	---	3,670,000

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IF BOTH MILLS AWARDED DEMAG/BLAW KNOW, BID PROVIDES FOLLOWING

DISCOUNT (TOTAL PRICE): U.S. DOLS 67 MILLION; GERMAN MARKS 485 MILLION; SWEDISH CROWNS 3 MILLION; AND PESOS 85 MILLION, 120 THOUSAND. CEILING PRICES WOULD BE REDUCED PROPORTIONATELY. ALL PESO PRICES QUOTED BY DEMAG/BLAW KNOW SUBJECT TO ESCALATION.

B. MISTSUBISHI/IHI/HITACHI

VARIABLE PRICES SUBJECT
TO ESCALATION

	HOT MILL	COLD MILL
YEN	31,659,887,000	9,359,000,000
PESOS	489,439,000	105,791,670

CEILING PRICES

HOT MILL COLD MILL

YEN	34,525,466,000	10,570,000,000
PESOS (1) SUPPLY	152,229,000	(1) SUPPLY 63,791,670
(2) ERECTION SUBJECT TO ESCALATION		(2) ERECTION SUBJECT TO ESCALATION

C. WEAN UNITED/SECIM/DELATTRE LEVIVIER

VARIABLE PRICES SUBJECT
TO ESCALATION

HOT MILL COLD MILL

FRENCH FRANCS	340,137,200	68,362,700
U.S. DOLS	70,868,000	25,976,000
PESOS	858,065,600	122,236,500

CEILING PRICES

(PERCENTAGE ABOVE VARIABLE)

HOT MILL COLD MILL

FRENCH FRANCS (1) SUPPLY	6 PERCENT	(1) SUPPLY	6 PERCENT
(2) ERECTION	12 PERCENT	(2) ERECTION	12 PERCENT

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U.S. DOLS	(1) SUPPLY	6 PERCENT	(1) SUPPLY	6 PERCENT
	(2) ERECTION	12 PERCENT	(2) ERECTION	12 PERCENT

SUPPLY PORTION OF MEXICAN COMPONENT WILL BE DISCOUNTED 15 PERCENT AND A 6 PERCENT CEILING ADDED AFTER DISCOUNT. ERECTION PORTION OF MEXICAN COMPONENT VARIABLE SUBJECT TO ESCALATION. IF BOTH MILLS AWARDED TO WEAN CONSORTIUM, ACROSS THE BOARD DISCOUNT OF 20 PERCENT WILL BE APPLIED TO PRICES QUOTED ABOVE.

D. DAVY LOEWY/SCHLOEMAN/DSD

VARIABLE PRICES SUBJECT
TO ESCALATION

HOT MILL COLD MILL

POUNDS STERLING	68,406,402	2,119,900
U.S. DOLS	7,214,300	76,000
GERMAN MARKS	122,028,590	77,728,400
PESOS	541,351,300	55,519,000

CEILING PRICES
(PERCENTAGE ABOVE VARIABLE)

HOT MILL COLD MILL

POUNDS STERLING 12 PERCENT 12 PERCENT

U.S. DOLLS 20 PERCENT 20 PERCENT

GERMAN MARKS 6 PERCENT (1)SUPPLY 7 PERCENT
(2)ERECTION 26 PERCENT

PESOS --- (1) SUPPLY 20 PERCENT

E. INNSE/SACK/ITALIMPIANTI

VARIABLE PRICES SUBJECT
TO ESCALATION

HOT MILL COLD MILL

U.S. DOLS	122,933,773	5,525,218
GERMAN MARKS	3,430,000	59,419,230
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PESOS	287,656,440	35,411,220
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CEILING PRICES

HOT MILL COLD MILL

U.S. DOLS	148,668,935	6,851,815
GERMAN MARKS	4,013,100	70,161,236
PESOS	259,509,860	31,862,820

(PART TRANSFERRED TO (PART TRANSFERRED TO
DOLLAR COMPONENT) DOLLAR COMPONENT)

IF MILLS AWARDED SEPARATELY, VARIABLE PRICES WILL INCREASE
AS FOLLOWS: HOT MILL - U.S. DOLS 500,000; COLD MILL - U.S.
DOLS 1,000,000. CEILING PRICES WILL BE ADJUSTED UPWARD AS
FOLLOWS: HOT MILL - U.S. DOLLS 640,000; COLD MILL - U.S. DOLS

1,280,000.

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Message Attributes

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